



DEPARTMENT OF THE NAVY  
BUREAU OF MEDICINE AND SURGERY  
2300 E STREET NW  
WASHINGTON DC 20372-5300

BUMEDINST <sup>IN REPLY REFER TO</sup> 12351.1  
BUMED-OOCP  
6 Jul 98

BUMED INSTRUCTION 12351.1

From: Chief, Bureau of Medicine and Surgery

Subj: GUIDANCE ON REQUESTING APPROVAL FOR VOLUNTARY SEPARATION  
INCENTIVE PAY (VSIP), VOLUNTARY EARLY RETIREMENT AUTHORITY  
(VERA), AND REDUCTION-IN-FORCE (RIF)

Ref: (a) FY98 Defense Appropriation Act, Public Law 105-56,  
October 8, 1997, Section 8069  
(b) DoD 1400.25-M, Chapter 16, Subchapter 7-B 2a(1)(a)  
and (b)  
(c) SECNAVINST 5214.2B

Encl: (1) Sample Request for VERA  
(2) Sample VERA Fact and Justification Sheet  
(3) Sample Request for VSIP and RIF  
(4) Sample RIF Fact and Justification Sheet  
(5) Sample Request for Authority to Use VSIP  
(6) VSIP Costs Table  
(7) Sample Annual Report of Projected VSIP, VERA, and RIF  
Actions

1. Purpose. To establish Bureau of Medicine and Surgery (BUMED) policy on requesting approval for VSIP, VERA, or RIF actions.

2. Applicability. Applies to all Medical Department activities employing civilians.

3. Definitions

a. Voluntary Separation Incentive Pay (VSIP). Is a monetary offer of up to \$25,000 to encourage employees to voluntarily retire or resign so the number of RIF separations are reduced. The amount of the VSIP payment is the severance pay entitlement or \$25,000, whichever is less.

b. Voluntary Early Retirement Authority (VERA). The purpose of the voluntary retirement is to assist an activity in completing a major personnel or workload change with minimal disruption to the work force. Using the VERA should result in an employee saved from RIF separation or RIF demotion, or reduction in adverse action separations of employees who decline transfers outside their commuting areas.

c. Reduction-in-Force (RIF). To release an employee from his or her activity by furlough for more than 30 days, involuntary separation, demotion, or reassignment requiring involuntary separation of another employee, when the separation

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is required because of lack of work; shortage of funds; insufficient personnel authorizations; an individual's exercise of reemployment rights or restoration rights; or reclassification due to erosion of duties.

d. Restriction on the Use of Appropriated Funds. Reference (a) contains a restriction on the use of appropriated funds to reduce the medical and medical support personnel: "During the current fiscal year, none of the funds appropriated in this Act may be used to reduce the civilian medical and medical support personnel assigned to military treatment facilities below the September 30, 1997 level..."

e. Waiver Provision. Reference (a) provides the Surgeons General with the ability to notify the Congressional defense committees they have granted a waiver to the restriction on the use of appropriated funds. Reference (a) states in part: "...That the Service Surgeons General may waive this section by certifying to the Congressional defense committees that the beneficiary population is declining in some catchment areas and civilian strength reductions may be consistent with responsible resource stewardship and capitation-based budgeting."

f. Waiver Required. All BUMED medical treatment facilities (MTF) and dental treatment facilities (DTF) employing civilians requesting approval for VSIP and RIF must submit a request for waiver.

g. Waiver not Required. The mission specific commands and BUMED Headquarters are considered exempt from the restrictions of reference (a).

#### 4. Background

a. Reference (a) states: "During the current fiscal year, none of the funds appropriated in this Act may be used to reduce the civilian medical and medical support personnel assigned to military treatment facilities below the September 30, 1997 level: Provided, that the Service Surgeons General may waive this section by certifying to the Congressional defense committees that the beneficiary population is declining in some catchment areas and civilian strength reductions may be consistent with responsible resource stewardship and capitation-based budgeting."

b. The DoD Appropriations Acts have, over the past several years, carried a restriction on reducing the number of civilian employees at MTFs. Reference (a) restricts the use of appropriated funds to reduce medical and medical support personnel.

c. DoD policy requires the offer of VSIP before a RIF is conducted. Reference (b) states: "Separation pay will be offered at least 30 days before RIF notices are issued at DoD installations undergoing RIF or closure where the acceptance of an incentive will avoid or minimize the need for involuntary separations."

d. When the two restrictions are combined they result in preventing the use of RIF in downsizing MTFs and DTFs.

## 5. Policy

a. All BUMED MTFs, DTFs, and mission specific commands will, when requesting VSIP, VERA, or RIF, include their civilian employment level as of the end of the most recent month and show any changes in population that have occurred to the date of the letter.

b. MTFs and DTFs that, by definition, need a waiver must submit the information requested by the appropriations restriction which shows the beneficiary population is declining in the catchment area and civilian strength reductions are consistent with responsible resource stewardship and capitation-based budgeting.

c. All VSIP, VERA, and RIF actions must be completed by 31 March of each fiscal year to offset separation costs with salary savings. All medical activities will be required to indicate why it is necessary for their activity to execute VSIP, VERA, or RIF actions after 31 March.

d. To ensure all BUMED activities have the same information and follow the same procedures, enclosures (1) through (6) are samples which will be used to request VSIP, VERA, and RIF actions.

e. Submit all requests for VSIP, VERA, or RIF to MED-00CP for processing and approval, via the activity's expense limitation holder (ELH).

f. Funding for execution of this policy is contained in the activity annual salary accounts. Separations are to be planned, requested, and executed early in the fiscal year, thus freeing the remaining salary funds for payment of the incentive. There are no centrally held funds to pay incentive costs.

## 6. Action

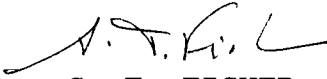
a. Each year all activity heads will submit an annual report of all RIF actions projected to occur during the fiscal year. The annual report will be used to provide the Department of the

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Navy with information necessary for Congressional notification. Enclosure (7) provides a sample of the data and format required for the report. The reporting requirements may change. Each year the reporting requirements will be sent to the ELH. The report is due to MED-00CP 15 working days before it is due to the Secretary of the Navy.

b. To obtain approval to offer VSIP and conduct a RIF, all MTFs and DTFs will need to submit specific information. A separate request for approval to offer a VSIP and conduct a RIF will be required for each RIF. The request must include information describing and accounting for the reduction in beneficiary population and describing how it is consistent with responsible resource stewardship and capitation-based budgeting.

7. Reports Exemption. The reporting requirements included in this instruction are exempt from reports control per reference (c), part IV, paragraph G8.

  
S. T. FISHER  
Deputy

Distribution:  
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SAMPLE REQUEST FOR VERA

From: Activity Name  
To: Chief, Bureau of Medicine and Surgery, MED-OOCP, 2300 E  
Street NW, Washington, DC 20372-5300

Subj: REQUEST FOR VOLUNTARY EARLY RETIREMENT AUTHORITY (VERA)

Encl: (1) VERA Fact and Justification Sheet

1. Enclosure (1) requests authorization to use VERA for the (activity name). This authority is requested due to (briefly state reason).
2. Requests for authority to offer VSIP and to conduct a RIF were submitted by separate correspondence.
3. We are working closely with our servicing Human Resources Office to minimize the need for involuntary separations. The approval of VERA will assist us in that endeavor.
4. For further information concerning this request please contact (name, telephone and facsimile number, and e-mail address of the person involved in the planning).

Enclosure (1)

SAMPLE VERA FACT AND JUSTIFICATION SHEET

1. Justification. State reasons why VERA is needed, including a detailed overview of the organization's personnel and budgetary situation that will result in an excess of civilian employees.

2. Organization. Identify organization and geographic location to which you will limit the VERA. In no case may VERA offers be based on specific occupations, grades or series, or restricted to non-temporary employees or to employees who have been on the activity or agency's rolls for more than 30 days before the VERA request was submitted. If applicable, also specify you are requesting delegated authority to control the geographic location or locations of VERA offerings, the timing and number of VERA offering windows, and the total number of VERAs you will approve during each window, within the overall authority granted by the Office of Personnel Management.

3. Time Period Covered by the VERA Request. Give the starting and ending dates for employees to separate under the requested VERA. The time frame may cover all or any portion of the remainder of fiscal year, but may not extend past 30 September. If you have requested delegated authority to control the timing of VERA offerings (see paragraph 2 of this enclosure), you will be able to open and close one or more employee application windows during the overall VERA time period. (The ending date must not be later than the effective date of the planned reorganization, RIF, or transfer of function (TOF) shown in paragraph 4 below. Organizations requesting VERA should keep in mind the "third of the month" deadline. Civil Service Retirement System employees who retire after the third of the month lose the annuity payment for that month. Under the Federal Employees Retirement Systems all voluntary retirements begin on the first day of the month after separation.)

4. Date of major reorganization, RIF, or TOF

5. The total number of employees in the organization covered by the requested authority

- a. Temporary.
- b. Non-temporary.
- c. Total.

6. Total Number of Non-Temporary Employees in the Organization Covered by the Requested Authority Who will be Separated, Surplus, or Excess During the Period of the Major Reorganization, RIF, or TOF

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7. Of the Total Number of Employees in the Organization Covered by the Requested Authority, the Estimated Number of Employees Who Would Be:

a. Separated by RIF.

b. Demoted.

c. Eligible for VERA

(1) Temporary employees.

(2) Non-temporary employees.

d. Expected to Accept VERA. (This number is a required estimate. If you reach this number before the end of your VERA authorization period and want to continue offering VERA you will need to submit an amended request.)

(1) Temporary employees.

(2) Non-temporary employees.

e. Not separated or demoted because of the expected early retirements.

8. An Estimate of the Number of New Hires to Replace Employees Who Accept Early Retirement. (State the reasons why current employees will not be placed in vacant positions offered to newly-hired employees.)

9. Does Your Organization Have Any Outstanding Early Retirement Reports from Previous Authorities Granted by the Department of Defense or Office of Personnel Management? (Late reports will delay approval of your request.)

10. The name, title, telephone and facsimile number and e-mail address of an organization contact person for the requested VERA.

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SAMPLE REQUEST FOR VSIP AND RIF

From: Activity Name  
To: Chief, Bureau of Medicine and Surgery, MED-OOCP, 2300 E  
Street NW, Washington, DC 20372-5300  
  
Subj: REQUEST FOR AUTHORITY FOR VOLUNTARY SEPARATION INCENTIVE  
PAY (VSIP) AND REDUCTION-IN-FORCE (RIF)  
  
Ref: (a) BUMED ltr or document authorizing change  
(b) SECNAVINST 12351.5E  
  
Encl: (1) Fact and Justification Sheet for RIF  
(2) Fact Sheet Request for Authority to Use VSIP  
(3) VSIP Costs Table

1. This request for VSIP and RIF authority is directed by reference (a). Per reference (b), enclosure (1) is forwarded requesting RIF authority through (place date here). In conjunction with the RIF request, authority is requested to use VSIP at (activity name and unit identification code) in the following locations: (If action is to be taken in a location other than the requesting activity.) Enclosures (2) and (3) are provided in support of the VSIP request.

2. (If applicable) In addition to the occupational series and grades listed in enclosure (1), we also request authority to offer VSIP to other occupational series and grades to expand the internal opportunities for placement of excess employees in other positions for which they might qualify.

3. We are working closely with our servicing Human Resources Offices to minimize the need for involuntary separations. By separate cover, we are requesting a VERA through (place date here) to assist us in encouraging voluntary separations and maximize the possibility of internal placement opportunities for employees in the abolished positions.

4. For further information concerning this request, please contact (name, telephone and facsimile number, and e-mail address).

Enclosure (3)



SAMPLE RIF FACT AND JUSTIFICATION SHEET

1. Fact Sheet. (Name and location of activity)

2. Background and Mission

a. The (activity name) mission is to provide (the approved activity mission). (Include any significant information having a bearing on the request to include summary information on previous RIFs, furloughs, or transfer of functions (TOFs) conducted during the current fiscal year.) It is for this reason RIF authority is requested for the following positions (list positions).

b. Number of permanent onboard employees as of end of month. (Changes that have occurred since date given.)

(1) Separations.

(2) New hires.

c. Number of temporary onboard employees as of end of month. (Changes that have occurred since date given.)

(1) Separations.

(2) New hires.

d. Number of vacancies authorized for recruitment as of end of month.

3. Approval of this Action will Result in: (Check appropriate line.)

a. \_\_\_\_ TOF to (state location).

b. \_\_\_\_ RIF.

c. \_\_\_\_ Furlough for \_\_\_\_ (work/calendar) days.

4. Proposed Effective Date of the Action

5. Reason for the Action

6. Funding Impact. (Anticipated savings versus cost of proposed action.)

a. Savings (salary and benefits).

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b. Costs

- (1) Severance pay.
- (2) Unemployment.
- (3) Relocation costs.

7. Impact of the Action on the Civilian Work Force

- a. Number of anticipated RIF separations.
- b. Number of anticipated furloughs.
- c. Number of anticipated transfers with function.
- d. Estimated number of temporary employee terminations.
- e. Estimated number of on-call employees released.
- f. Anticipated attrition for each of the following categories.
  - (1) Estimated number of retirees
    - (a) Optional retirement.
    - (b) Voluntary early retirement.
  - (2) Estimated number of employees to transfer to other activities within the commuting area (in a TOF, do not include those employees who you anticipate will transfer with their function).
  - (3) Estimated number of employees to transfer to other activities outside commuting area (in a TOF, do not include those employees who you anticipate will transfer with their function).
  - (4) Other.

8. Impact of the Action on Military Personnel

- a. Number of officer endstrength reductions.
- b. Number of enlisted endstrength reductions.

9. Impact of the Action on Civilian Equal Employment Opportunity

a. Total number permanent onboard (table below represents one civilian each).

<u>Caucasian</u>	<u>Black</u>	<u>Hispanic</u>	<u>Asian</u> <u>Pacific Island</u>	<u>American</u> <u>Indian</u>	<u>Handicapped</u>
M/F	M/F	M/F	M/F	M/F	M/F
/	/	/	/	/	/

b. Estimated total number of permanent onboard (civilians) adversely affected by RIF.

<u>Caucasian</u>	<u>Black</u>	<u>Hispanic</u>	<u>Asian</u> <u>Pacific Island</u>	<u>American</u> <u>Indian</u>	<u>Handicapped</u>
M/F	M/F	M/F	M/F	M/F	M/F
/	/	/	/	/	/

c. Estimated total number of permanent onboard affected by furlough or transfer of function:

<u>Caucasian</u>	<u>Black</u>	<u>Hispanic</u>	<u>Asian</u> <u>Pacific Island</u>	<u>American</u> <u>Indian</u>	<u>Handicapped</u>
M/F	M/F	M/F	M/F	M/F	M/F
/	/	/	/	/	/

10. Economic Impact on the Activity

a. Number of RIF actions taken before this request this fiscal year.

(1) Number of involuntary separations to date this fiscal year.

(2) Number of employees adversely affected by RIF to date this fiscal year (do not include involuntary separations).

b. Number of transfer of function actions taken before this request this fiscal year (provide information in following format. If more than one TOF, list each separately):

- (1) Function transferred.
- (2) Date transferred.
- (3) Location where transferred.
- (4) Number of employees affected.

c. Number of furlough actions taken before this request this fiscal year. (Provide information in following format):

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- (1) Dates of furlough (from-through).
- (2) Number of employees affected.

11. Provide the Following When Proposed Action Results from a Commercial Activities (CA) Study:

- a. Number of permanent onboard employees under CA study.
- b. Number of temporary onboard employees under CA study.
- c. Number of vacant positions under CA study.
- d. Statement of the impact on the military mission of the activity (this statement should be consistent with the CA decision summary message).

12. Provide the Following Economic Impact on the Community if More than 75 Employees will be Affected by a Conversion to a Contract that Resulted from a CA Study:

- a. Current status for entire community
  - (1) Location.
  - (2) Population.
  - (3) Employment.
  - (4) Business volume.
  - (5) Tax base.
  - (6) Personal income.
- b. Anticipated impact of proposed actions
  - (1) Location.
  - (2) Population.
  - (3) Employment.
  - (4) Business volume.
  - (5) Tax base.
  - (6) Personal income.

13. Assistance to Affected Civilians. (Sample before effecting any involuntary separations from Federal service as a result of RIF, efforts will be made to assist affected employees by offering an internal VERA and VSIP program and internal placement in vacant positions. Additional assistance will be provided through registration in both the Automated Stopper and Referral System (ASARS) and the Defense Outplacement Referral System (DORS), and through counseling regarding other entitlements or benefits.)

14. Labor Organizations Affected. (Specify the organization; if none, state none.)

15. Point of Contact. (Name and telephone number (commercial and DSN) of individual at this activity who can provide detailed additional information.)

SAMPLE REQUEST FOR AUTHORITY TO USE VSIP

1. Activity Name and Address
2. Civilian Employment
  - a. Total.
  - b. Reduction target.
  - c. Expected involuntary separations.
3. Scheduled Date for Involuntary Separations
4. Proposed VSIP Window. (The entire period you want VSIP to be available.)
5. Profile of Involuntary Separations

<u>Number</u>	<u>Occupational Series</u>	<u>Grade</u>
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6. Type and Number of Separation Incentives Requested

<u>Type</u>	<u>Number</u>
Resignation	
Early Retirement	
Regular Retirement	
7. Cost Analysis. A summary table for cost analysis is attached.
8. Funds Availability. (Attach copy of certification of funding availability or request for such certification submitted to major claimant.)

VSIP COSTS TABLE

COSTS			RIFs AVOIDED	SAVINGS				TOTAL SAVINGS (\$K)	NET SAV/COST (NEG=SAV)
NUMBER OF VSIPS	INCENTIVE PAY	SEPARATION PAY (\$)		SEVERANCE PAY (\$12k EA)	UNEMPLOY COMP (\$6k EA)	HEALTH INSURANCE (\$3k EA) *	SALARY DIFF (\$15 EA) **		
<b>YEAR 1</b>									
	RESIG @ \$13k								
	EARLY RET @ \$25k								
	REG RET @ \$25k								
	<b>YR 1 TOTAL</b>								
<b>YEAR 2</b>									
	RESIGN								
	EARLY RET								
	REG RET								
	<b>YR 2 TOTAL</b>								
<b>YEAR 3</b>									
	EARLY RET								
	REG RET								
	<b>YR 3 TOTAL</b>								
<b>CUM TOTAL</b>									

\* \$2k the first year and \$1k the second year.

\*\* No salary savings for resignation incentive.

SAMPLE ANNUAL REPORT OF PROJECTED  
VSIP, VERA, AND RIF ACTIONS

- 
1. Parent activity.
  2. Activity requesting action (if different from above).
  3. Number projected to be involuntarily separated.
  4. Number of VSIP offers.
  5. Number eligible for VERA.
  6. Projected effective date for RIF.
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Additional Activity or Projected RIF Requirements

1. Parent activity.
  2. Activity requesting action (if different from above).
  3. Number projected to be involuntarily separated.
  4. Number of VSIP offers.
  5. Number eligible for VERA.
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- 

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